



Fee-For-Service Enrollment for Medi-Cal Rx Pharmacies using PAVE

Department of Health Care Services (DHCS)
Provider Enrollment Division

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Medi-Cal Fee-for-Service Provider Enrollment

- This is an overview of the requirements for pharmacy providers to enroll in the Fee-for-Service side of Medi-Cal
- The application process is done online in the PAVE enrollment system at

<https://pave.dhcs.ca.gov/sso/login.do?>

There are no paper applications.



Covered Topics

1. FEE FOR SERVICE REQUIREMENTS AND LAWS
2. APPLICATION FEES
3. FINGERPRINTING
4. SPECIALTY PHARMACIES
5. CLOSED-DOOR PHARMACIES
6. PHARMACIES IN FQHC'S
7. OUT OF STATE PHARMACIES
8. DOCUMENTS TO ATTACH IN YOUR APPLICATION
9. ADDITIONAL BUSINESS ACTIVITIES
10. OVERVIEW OF THE PED ENROLLMENT PROCESS
11. GETTING SET-UP IN THE PAVE ENROLLMENT SYSTEM
12. ADDITIONAL RESOURCES AND CONTACTS



Levels of Authority

Provider Enrollment Requirements are
based in:

Federal Medicaid Laws

State Medicaid Statutes

State Regulations

And

DHCS Regulatory Provider Bulletins



Federal Medicaid Law

The Federal Medicaid laws are contained in Title 19 of the Social Security Act and Title 42 of the Code of Federal Regulations, Chapters I, IV, and V.

MAJOR POINTS:

Federal law makes DHCS responsible for collecting specific information from providers about ownership, control, adverse actions and participation.

State agencies shall not enroll anyone excluded from Medicare or other state Medicaid programs.



California Law - Statutes

The California Welfare and Institutions (W&I) Code contains rules for social welfare and government health care programs.

The W&I Code Sections 14043 – 14045 govern Medi-Cal Provider Enrollment.

Additional Governance:

The Health and Safety Code governs physical safety standards for pharmacies in California.

The Business and Professions Code contains the laws that govern the professions in California.

The Corporations Code – contains laws for the structure and operation of Legal Entities in California.



California Law - Regulations

- The Provider Enrollment Regulations for fee-for-service Medi-Cal are contained in:
California Code of Regulations
Title 22, Sections 51000-51451
- In addition, DHCS has published regulatory provider bulletins that can be found on the Provider Enrollment Division webpage of the DHCS website.



Site Specific Enrollments

- It is important to note that Pharmacies must submit applications for every pharmacy location, even if they are all under the same legal name and ownership.
- Each pharmacy location must meet all of the requirements in order to be approved for fee-for-service enrollment.



Who Can Sign Applications

- Enrollment regulation, CCR, Title 22, Section 51000.30(a)(2)(B) defines the persons who are authorized to sign Medi-Cal Provider Applications.
- In many cases, these are not the same as the persons who businesses may authorize to sign other types of legal documents on their behalf.



Authorized Signers

- **Sole Proprietor Owners** (for sole proprietorship pharmacies)
- **Partners** (if owned by a partnership)
- **Corporate Officers** (if owned by a corporation)
- **Official Government Representatives** (if operated by a government agency)
- **Official representatives of non-profit organizations** (such as Board Members, Directors and Operational Officers)



Application Fee

- Each year the Center for Medicare and Medicaid Services determines the new application fee amount.
- Application fee for calendar year 2020 is \$595.00.
- Payment is done electronically and is part of the PAVE Pharmacy application.
- Application fees are used to offset the cost of conducting the required screenings.
- The Department will deny applications where the applicant fails the application fee requirement.



Application Fee Exemptions

Pharmacy providers may be exempt from paying the application fee if they meet one of the exemptions below:

- Already **enrolled** in and/or **paid** the applicable fee to Medicare or another state's Medicaid or Children's Health Insurance Program (CHIP) at the service location. **Verification is required.**
- Exempt by waiver pursuant to federal law. **Verification is required.**



Application Fee Waiver Requests

Fee Waiver Requests:

- To request a waiver, an applicant/provider must include with submission of the application a letter that describes: 1) the hardship and 2) the justification for an exception. A fee waiver request that does not describe the two elements and include documentation, will not be accepted. DHCS will forward application fee waiver requests submitted by applicants/providers to CMS for approval.
- Acceptable justification documents may include:
 1. Historical Cost Reports
 2. Recent financial reports such as balance sheet and income statements
 3. Cash flow statements
 4. Most recent tax returns
 5. Other profit and loss statements for the location that the provider claims the hardship
- The applicant may submit both an application fee and a fee waiver request in order to allow their application to be processed without waiting for the CMS approval. If the waiver is granted, a refund will be issued.



Fingerprint Requirement for High Risk Providers

- Pharmacy applicants designated as a high categorical risk are required to submit fingerprints.
- Pharmacies located in Los Angeles County, with the exception of those operated by governmental entities, chain pharmacies, non-profit corporations and those operated by a Federally Qualified Health Center (FQHC), are designated as high categorical risk.
- Any person with a five-percent or greater direct or indirect ownership interest in pharmacies screened at high risk must submit his/her fingerprints for State and Federal criminal background checks.
- In order to obtain the required fingerprints, present a prefilled Department of Justice Request for Live Scan Service (BCIA 8016) form to a Live Scan operator and pay all applicable fees.
- When submitting the application, include a legible copy of the date stamped BCIA 8016 form along with verification that all fees have been paid. Verification of payment can be either a “PAID” stamp from the Live Scan operator or a receipt of payment.
- For more information plus instructions for Individuals who are located **out of state**, please copy and paste the following URL into your computer browser window:
- http://files.medi-cal.ca.gov/pubsdoco/Publications/masters-other/provappsenroll/PED_Fingerprinting_and_Criminal_Background_Check_CJIS9004.pdf



Specialty Pharmacies

- To be considered a Specialty Pharmacy, the Pharmacy must dispense Blood Factors and meet a list of specialized care needs to the Medi-Cal population who utilize specialty drugs such as Coagulation Factors, Intravenous Immune Globulin and Alpha-1 Proteinase Inhibitor.
- For a list of Blood Factor Drugs, please refer to [Welfare and Institutions Code \(W&I Code\) Section 14105.86\(a\)\(2\)\(A\)](#).
- Pharmacies that want to contract with DHCS to provide Blood Factors to Medi-Cal patients, must submit a Medi-Cal Specialty Pharmacy Provider Application (MC 3155), **in addition to** their Medi-Cal Pharmacy Provider Application. Please right-click [here](#) to be directed to the Specialty application.
- For more information on Medi-Cal Contracted Specialty Pharmacies and a list of locations, please visit: <https://www.dhcs.ca.gov/provgovpart/pharmacy/Pages/BloodFactors.aspx>



Closed-Door Pharmacies

- “Closed-Door” is a designation given to a Pharmacy that provides pharmaceutical care only to defined and exclusive groups of patients by means of contracts.
- There is a field in the Pharmacy application where pharmacies indicate if their pharmacy is a ‘closed-door’ business to request such enrollment.
- “Closed-Door” Pharmacies are subject to the same Medi-Cal participation and enrollment requirements as retail pharmacies and onsite inspections are required.
- Most “Closed-Door” Pharmacies are not open to the general public. However, if the Pharmacy sells incontinence medical supplies, the Pharmacy must at least have an area within the business that is open to the public in order to enroll in Medi-Cal.



Pharmacies in Federally-Qualified Healthcare Centers (FQHCs)

- Pharmacies located in FQHCs can only enroll in fee-for-service Medi-Cal when their pharmaceutical services are not included in the FQHC's Prospective Payment System (PPS) rate.
- If pharmacy services are included in the FQHC's PPS rate, the pharmacy must contact the DHCS Fiscal Audits Branch to request a rate scope change.



Out of State Pharmacies

Provider Enrollment Division only enrolls Pharmacies located out of state if they meet one of the criteria listed below:

1. Provided emergency services to a Medi-Cal beneficiary travelling in their State.
2. Provided services to a foster child or institutionalized person placed out of state according to an Interstate Compact for Placement of Children.
3. Provides services to a child covered by Medi-Cal pursuant to a Single Case Agreement with the California Children's Services Program.
4. Provides a specific medication or drug that is part of a DHCS approved treatment plan and the medication is not available from resources and facilities within the State.

If one of the exemptions above apply to your Pharmacy, please submit a cover letter outlining your exemption and attach it in the application. Please note, all Pharmacies located out of state must also comply with their State Medicaid Provider Enrollment Requirements and Regulations.



Some Required Documents

This slide lists many of the documents that you will need to attach to the pharmacy application. Depending upon your specific application, you may have additional required documents.

- Articles of Incorporation (only for corporations)
- State-Issued Identification
- Verification of TIN/EIN with one of the accepted documents: IRS Form 8109-C, Form 941, Letter 147-C, or Form SS-4 (Confirmation Notification)
- Lease agreement (if leasing service location)
- Proof of Comprehensive (General) Liability Insurance
- Proof of Professional Liability (Malpractice) Insurance
- Pharmacy Permit Wall Certificate (online printouts from the board are not accepted)
- DEA certificate
- PIC Professional License and State-Issued ID card
- Business License /Tax Certificate (if required by local government)
- FBNS (if using a fictitious name)
- Workers' Compensation Insurance



Business Activities

The majority of a pharmacy's business activities will be Prescription Drugs.

Pharmacies can also bill for Durable Medical Equipment (DME).

Pharmacies report specific DME products in the application as a percentage of the pharmacy's total business activity.



The Enrollment Process

Initial Review

- Complete your application in the PAVE portal.
- Submit your application.
- DHCS reviews in 'date order received'.
- The legal allowance for the initial review period is 180 days, but DHCS strives to complete initial reviews much sooner.



The Enrollment Process Correcting Deficiencies

- If your application is incomplete, PED will return it to you for corrections.
- You will be notified via email to log into the PAVE system to fix the noted deficiencies in your application.
- You need to go into the application and make the corrections and then resubmit your application to PED within 60 days.



The Enrollment Process Correcting Deficiencies

- If you fail to resubmit your application in 60 days, your application will be denied automatically.
- Please note that failing to meet the application fee requirement upon initial submission of your application, will result in denial and this cannot be corrected.



The Enrollment Process

Onsite Inspections

- Your application may get referred for an onsite inspection.
- You will be notified through PAVE.
- Onsite inspections are always required for the following:
 - Applications from Closed Door pharmacies
 - Applications from pharmacies located in Los Angeles County, with the exception of those operated by governmental entities, chain pharmacies, non-profit corporations and those operated by a Federally Qualified Health Centers.



The Enrollment Process

Onsite Inspections

- DHCS has authority to conduct onsite inspections and comprehensive reviews to validate information in any application package.
- The findings of the onsite inspection are sent to the Provider Enrollment Division. If discrepancies are found at the onsite visit, your application may be returned to you again for corrections, or a final decision of denial or approval will be made.



The Enrollment Process Approval and Denial

- If your application is approved, you will be notified via email to log into the PAVE system to receive your Approval Letter.
- If your application is denied, you will be notified via email to log into the PAVE system to receive your Denial Letter with Appeal Rights.



The Enrollment Process Application Withdrawal

- If you decide to withdraw your application in the PAVE system, the DHCS review will be cancelled and your application will close.
- The Withdraw option is not available once an application is referred.



Getting Set Up in PAVE for First Time Users

PAVE 101 Training Slides

This website offers valuable information for first-time users in PAVE including how to set up a new user and business profile. Please click on the link to direct you to the PAVE 101 Training Slides webpage.

<https://www.dhcs.ca.gov/provgovpart/Pages/PAVE-101-Training-Slides.aspx>



Getting Set Up in PAVE for First Time Users

- Here is the link to PAVE Portal where you will create and submit your application and manage your account.

<https://pave.dhcs.ca.gov/sso/login.do?>



Additional Resources

For technical assistance with the PAVE system, please direct questions to the PAVE Help Desk at 1.866.252.1949.

For Medi-Cal enrollment questions, please email PEDCorr@dhcs.ca.gov or call 1.916.323.1945.

For additional help in PAVE, click on the link below to take you to the PAVE homepage where you can access Provider Training videos and other tutorials.

<https://www.dhcs.ca.gov/provgovpart/Pages/PAVE.aspx>